

BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION

In Re: Dollie Worthington)
Ward 70, Block 13, Parcel 35)
Residential Property) Shelby County
Tax year 2005)

INITIAL DECISION AND ORDER

Statement of the Case

The Shelby County Board of Equalization ("county board") has valued the subject property for tax purposes as follows:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$11,000	\$26,000	\$37,000	\$9,250

On January 24, 2006, an appeal was filed on behalf of the property owner with the State Board of Equalization ("State Board").

The undersigned administrative judge conducted a hearing of this matter on April 5, 2006 in Memphis. The property owner (now deceased) was represented by her daughter, Gail T. Manley.¹ Staff appraiser Teri Brandon appeared on behalf of the Shelby County Assessor of Property.

Findings of Fact and Conclusions of Law

The property in question is a one-story house located at 1214 Canfield Avenue, near Frayser public schools. Built in the 1950s, this modest abode has 900 square feet of living area and aluminum/vinyl siding. The home does not have a central heating or air-conditioning system.²

In support of her contended value of \$30,000, Ms. Manley referred to the comparable sales data which the county board had procured from *Chandler Reports*. She observed that the highest selling price on Canfield during the reporting period (January 1, 2002 through December 31, 2004) was the \$35,720 paid for a slightly smaller house (#1223) in April, 2003. A number of the sales in the neighborhood, Ms. Manley also noted, were apparently repossessions or foreclosures.

Skeptical that these sales were arm's-length transactions indicative of market values, the Assessor's office expanded its search for suitable comparables to other streets in the neighborhood (Whitney Avenue; Willowwood Avenue; Paullus; St. Charles Drive; and Madewell

¹The subject property is currently occupied by a brother and sister of Ms. Manley.

²The Assessor's records had inaccurately indicated the existence of a forced air heating system.

Drive). Although her comparable sale prices were upwards of \$50,000, Ms. Brandon expressed a willingness to reduce the appraisal of the subject property to \$35,000.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that “[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values....”

Since the appellant seeks to change the present valuation of the subject property, she has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

In the opinion of the administrative judge, the evidence of record narrowly favors Ms. Manley’s requested value. To be sure, forced sales by financial institutions and governmental agencies may be unreliable barometers of market value. See, e.g., International Association of Assessing Officers, Property Appraisal and Assessment Administration (1990), pp. 136-137. Yet the fact remains that, during the three years prior to the January 1, 2005 reappraisal date, five of the six reported sales of homes on the same street of almost identical age and size brought \$30,000 or less. In determining the most probable price for which the subject property would sell as of that date (after reasonable exposure in the open market), the administrative judge places greater weight on those sales than on the amounts paid for homes elsewhere in the general vicinity. That the Assessor’s representative would be amenable to a value well below the range of her (unadjusted) comparable sale prices suggests that the selected comparables were simply superior to the subject.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$11,000	\$19,000	\$30,000	\$7,500

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The

petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27th day of April, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Gail T. Manley
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office
Rita Clark, Assessor of Property

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